GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2755
ANSWERED ON:13.03.2000
CESS TO OIL INDUSTRY DEVELOPMENT BOARD
RAMESH CHAND TOMAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil and Natural Gas Corporation propose to pay more than 2000 crores as cess during the current financial year to the Oil Industry Development Board;

(b) if so, the total amount of cess paid by Oil and natural Gas Corporation to Oil Industry Development Board during the past three years;

(c) the purpose for which Oil Industry Development Board utilised the said cess amount; and

(d) the extent to which the board has succeeded in achieving its target?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a)to(d) : The proceeds of cess, levied under the provision of the Oil Industry (Development)Act, 1974, are first credited to the Consolidated Fund of India and the Central Government may , if Parliament by appropriation made by law in this behalf, so provides, pay to the Oil Industry Development Board (OIDB), from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit for being utilised exclusively for the purposes of the Act.

The amount of cess paid by Oil and Natural Gas Corporation Limited (ONGC), including ONGC`s share in Joint Ventures, to the Central Government during the years 1996-97 to 1998-1999 has been around Rs. 6940 crore and the same, likely to be paid by them during the current year i.e. 1999-2000, will be around Rs. 2085 crore.

During the period mentioned above, no appropriation has been made by the Central Government to OIDB out of the cess proceeds. From the funds available, OIDB continued to extend financial assistance to the oil industry in terms of Section 6(1) of the Oil Industry (Development) Act, 1974 during the period in question.